

Assessing the potential impact of the outpatient PPS on access to quality care: Results of a survey

ISSUE: The implementation of a prospective payment system (PPS) for outpatient services in August 2000 marked a dramatic departure from previous payment policy. Has that change had consequences for Medicare beneficiaries' access to quality care in the short term? In the long term? What kinds of measures can be developed to monitor changes in access and quality? To address these questions, MedPAC contracted with CHPS Consulting to conduct a literature review and structured interviews with key informants.

KEY POINTS: CHPS interviewed 82 individuals from hospitals, trade associations, government, research firms, beneficiary organizations, and payers. Key findings include:

- There have been no negative quality and access impacts to date, although it is too soon to tell what future impacts may be. The most immediate impact on hospitals has been the need to increase resources devoted to ensuring proper coding and billing.
- Payment rates for specific services may lead to future changes in service lines that will impact access and/or quality. For example, non-reimbursement for observation may impact the quality of care in emergency departments and lead hospitals to close chest pain clinics. Rural hospitals may reduce radiology services as a result of low reimbursement in comparison to their costs.
- Differences in reimbursement and coinsurance rates across settings may shift services, such as ambulatory surgery, to other settings, with unknown effects on quality and access.
- Some respondents, particularly in rural hospitals, noted that coinsurance rates increased, on average, in their facilities, which may become an access barrier.
- More rural hospitals may convert to critical access hospital status, which could affect both the inpatient and outpatient services available to beneficiaries.
- Few measures are currently utilized to evaluate access and quality of outpatient services. Development of adequate measures will be hampered by the lack of good baseline data and the need to look across settings to truly measure access.

Note: The briefing materials include only the table of contents and the introduction to the draft report, which includes a summary of interview findings. Feel free to request a full copy or additional sections.

ACTION: CHPS Consulting will provide an overview of their findings at the meeting, followed by a question and answer period. Findings pertinent to rural hospitals will be summarized in a text box in the June report.

STAFF CONTACT: Chantal Worzala (202-653-7232) Presenters from CHPS Consulting are Henry Miller, Ph.D., President and Dana Karr, Senior Director.